

increasing to 100 percent the amount that would have to be trusted would be not for the protection of the consumer. We're not hearing from any consumer groups that 100 percent needs to be trusted. It would be for the protection of the funeral directors who would prefer to keep the current system where there is no competition for the need for the sale of pre-need funerals. Now in response to Senator Higgins' concern about the dangers of trusting only 85 percent, let me say that there is some risk. There is some very minor risk that some time in the future a funeral home will go under and will not be able to honor those contracts. It is minimal. I think, in my view, it is overwhelmingly outweighed by the benefits of increased competition that are going to accrue to the consumer if we go to 85 percent trusting. Now let me explain why. If only 85 percent of the proceeds have to be trusted why then the funeral director can retain 15 percent of the sale price immediately, and that way he has the incentive to go out and make pre-need sales. That is going to increase competition. It is going to mean that sales of funerals take place when people are dry-eyed, before they need it, when they are able to rationally choose, select the kind of coffin they want and so forth, and are not going to make emotional decisions about having the absolute very best for their deceased husband. So that is going to bring the price of funerals, the price of coffins, the price of all the associated paraphernalia down considerably when people buy those things ahead of time. The benefits to the consumer, once again to that, to increased competition, to significant reduction of prices in funerals are going to far outweigh the protection that a full 100 percent trusting would offer. So I would strongly encourage the body to pass the bill as written now and defeat any amendments that might be offered in the future to increase the trusting percentages to 100 percent. Thank you, Mr. Speaker.

SPEAKER NICHOL PRESIDING

SPEAKER NICHOL: Did either one of you gentlemen wish to close on the advancement of the bill?

SENATOR PAPPAS: No. I'll just reiterate and thank Senator Hoagland for pointing some of those things out. I think there will be some more in depth explanations on Select File on why this type of service is needed, why the bill covers areas that are not regulated now, why it helps the consumer,